IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT :

THE HONOURABLE MR. JUSTICE C.N.RAMACHANDRAN NAIR

MONDAY, THE 20TH AUGUST 2007 / 29TH SRAVANA 1929

WP(C).No. 23467 of 2007(R)

PETITIONER:

T.KALANDER, S/O.THOOPPER, AGED 70
YEARS, MANAGING PARTNER, NOBLE INDUSTRIES,
KALLUVALAPPU, P.O.PUTHUR, KOLAVALLOOR AMSOM,
DESOM, KANNUR DISTRICT.

BY ADV. SRI.K.P.HAREENDRAN
SRI.BIJUMON

RESPONDENTS:

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1. DISTRICT COLLECTOR, KANNUR
COLLECTORATE, KANNUR P.O.KANNUR.

2. DEPUTY COLLECTOR (REVENUE RECOVERY),
COLLECTORATE, KANNUR, P.O.KANNUR.

3. DEPUTY TAHSILDAR, REVENUE RECOVERY,
KERALA FINANCIAL CORPORATION,
KANNUR, P.O.KANNUR.

4. BRANCH MANAGER,
KERALA FINANCIAL CORPORATION, KANNUR,
P.O.KANNUR.

R3 AND R4 BY SC SRI.V.B. UNNIRAJ

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 20/08/2007, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

C.N.RAMACHANDRAN NAIR,J.

W.P.C. NO. 23467 OF 2007

Dated this the 20th day of August, 2007

JUDGMENT

Petitioner was granted business loan of Rs. 8.46 lakhs in 1994 with interest at 17.5 per cent with half-yearly compounding. The interest is reduced from 17.5 per cent to 17 per cent as is evident from ext.P7 produced by KFC. Petitioner's case is that entire arrears of 9.97 lakhs with future interest at 17% with effect from 1.10.2005 was remitted by the petitioner with 5% collection charges. Thereafter the second respondent issued Ext.P3 certificate of discharge of liability. Inspite of settlement of liability, balance over Rs. 1 lakh is still demanded by the KFC, is the grievance of the petitioner. On going through ext.P7 produced by KFC I find that petitioner has settled entire liability with compounded interest upto 1.1.2005 together with future interest at 17% with effect from 1.10.2005 till date of payment. It is stated that 5% collection charges is also remitted by the petitioner. Ext.P1 is issued only by Branch Manager of KFC wherein there is no demand of compounding rate of interest from the date of initiation of

recovery proceedings. It is seen that interest charged itself is high rate at 17%. Compounded rate is seen charged upto the date of initiation of recovery proceedings. In the circumstances, I feel Ext.P1 is only a final demand which the petitioner has remitted. Further demand of interest at compounded rate after initiation of recovery proceedings is therefore unauthorised. W.P. is accordingly allowed directing the fourth respondent to treat the matter as settled in terms of Ext.P3 certificate and release the title deed to the petitioner.

(C.N.RAMACHANDRAN NAIR)
Judge